

## SENATE BILL No. 127

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 3-5-2-37; IC 3-9-3-2.5; IC 3-14-1-3.

**Synopsis:** Political expenditures. Provides that a corporation or labor organization that makes a political expenditure is a political action committee. Provides that an organization may not make a communication expressly advocating the election or defeat of a clearly identified candidate unless the organization is a political action committee or the communication is made through a political action committee established by the organization. Makes a violation of this requirement a Class A misdemeanor.

**Effective:** January 1, 2007.

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January 9, 2006, read first time and referred to Committee on Elections and Civic Affairs.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## SENATE BILL No. 127

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 3-5-2-37 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JANUARY 1, 2007]: Sec. 37. (a) Except as provided in  
3 subsection (b), "political action committee" means an organization  
4 located within or outside Indiana that satisfies all of the following:

5           (1) The organization proposes to influence:

6               (A) the election of a candidate for state, legislative, local, or  
7               school board office; or

8               (B) the outcome of a public question.

9           (2) The organization accepts contributions or makes expenditures  
10          during a calendar year:

11           (A) to influence the election of a candidate for state,  
12           legislative, local, or school board office or the outcome of a  
13           public question that will appear on the ballot in Indiana; and

14           (B) that in the aggregate exceed one hundred dollars (\$100).

15           (3) The organization is not any of the following:

16               (A) An auxiliary party organization.

17               (B) A legislative caucus committee.



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(C) A regular party committee.

(D) A candidate's committee.

(b) A corporation or labor organization that makes a contribution in accordance with IC 3-9-2 ~~or makes an expenditure~~ is not considered a political action committee.

SECTION 2. IC 3-9-3-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2.5. (a) This section does not apply to any of the following:

(1) A communication relating to an election to a federal office.

(2) A communication relating to the outcome of a public question.

(3) A communication described by this section in a medium regulated by federal law to the extent that federal law regulates the appearance, content, or placement of the communication in the medium.

(4) Bumper stickers, pins, buttons, pens, and similar small items upon which the disclaimer required by this section cannot be conveniently printed.

(5) Skywriting, water towers, wearing apparel, or other means of displaying an advertisement on which the inclusion of a disclaimer would be impracticable.

(6) Checks, receipts, and similar items of minimal value that do not contain a political message and are used for purely administrative purposes.

(7) A communication by a political action committee organized and controlled by a corporation soliciting contributions to the political action committee by the stockholders, executives, or employees of the corporation and the families of those individuals.

(8) A communication by a political action committee organized and controlled by a labor organization soliciting contributions to the political action committee by the members or executive personnel of the labor organization and the families of those individuals.

(9) A direct mailing of one hundred (100) or less substantially similar pieces of mail.

(b) This section applies whenever a person:

(1) makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate; or

(2) solicits a contribution;

through a newspaper, a magazine, an outdoor advertising facility, a poster, a yard sign, a direct mailing, or any other type of general public

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1 political advertising.

2 (c) For purposes of this section, a candidate is clearly identified if  
3 any of the following apply:

4 (1) The name of the candidate involved appears.

5 (2) A photograph or drawing of the candidate appears.

6 (3) The identity of the candidate is apparent by unambiguous  
7 reference.

8 (d) A communication described in subsection (b) must contain a  
9 disclaimer that appears and is presented in a clear and conspicuous  
10 manner to give the reader or observer adequate notice of the identity of  
11 persons who paid for and, when required, who authorized the  
12 communication. A disclaimer does not comply with this section if the  
13 disclaimer is difficult to read or if the placement of the disclaimer is  
14 easily overlooked.

15 (e) A communication that would require a disclaimer if distributed  
16 separately must contain the required disclaimer if included in a  
17 package of materials.

18 (f) This subsection does not apply to a communication, such as a  
19 billboard, that contains only a front face. The disclaimer need not  
20 appear on the front or cover page of the communication if the  
21 disclaimer appears within the communication.

22 (g) Except as provided in subsection (h), a communication  
23 described in subsection (b) must satisfy one (1) of the following:

24 (1) If the communication is paid for and authorized by:

25 (A) a candidate;

26 (B) an authorized political committee of a candidate; or

27 (C) the committee's agents;

28 the communication must clearly state that the communication has  
29 been paid for by the authorized political committee.

30 (2) If the communication is paid for by other persons but  
31 authorized by:

32 (A) a candidate;

33 (B) an authorized political committee of a candidate; or

34 (C) the committee's agents;

35 the communication must clearly state that the communication is  
36 paid for by the other persons and authorized by the authorized  
37 political committee.

38 (3) If the communication is not authorized by:

39 (A) a candidate;

40 (B) an authorized political committee of a candidate; or

41 (C) the committee's agents;

42 the communication must clearly state the name of the person who

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1 paid for the communication and state that the communication is  
 2 not authorized by any candidate or candidate's committee.

3 (4) If the communication is a solicitation directed to the general  
 4 public on behalf of a political committee that is not a candidate's  
 5 committee, the solicitation must clearly state the full name of the  
 6 person who paid for the communication.

7 (h) A communication by a regular party committee consisting of:

8 (1) a printed slate card, a sample ballot, or other printed listing of  
 9 three (3) or more candidates for public office at an election;

10 (2) campaign materials such as handbills, brochures, posters,  
 11 party tabloids or newsletters, and yard signs distributed by  
 12 volunteers and used by the regular party committee in connection  
 13 with volunteer activities on behalf of any nominee of the party; or

14 (3) materials distributed by volunteers as part of the regular  
 15 party's voter registration or get-out-the-vote efforts;

16 must clearly state the name of the person who paid for the  
 17 communication but is not required to state that the communication is  
 18 authorized by any candidate or committee.

19 **(i) An organization may not make a communication described**  
 20 **in subsection (b) unless:**

21 **(1) the organization is a political action committee; or**

22 **(2) the communication is made by a political action committee**  
 23 **established by the organization under IC 3-9-1.**

24 SECTION 3. IC 3-14-1-3 IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JANUARY 1, 2007]: Sec. 3. An individual, an  
 26 organization, or a committee that **knowingly** circulates or publishes  
 27 material in an election ~~without the statement required under in~~  
 28 **violation of IC 3-9-3-2.5** commits a Class A misdemeanor.

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